



## AFRICA AND THE MIDDLE EAST

### Regional Analysis

# Roundup of Challenges and Opportunities Facing U.S. Exporters

**T**he varying economies and political systems of the Middle East and Africa offer U.S. agricultural exporters both opportunities and difficulties.

#### Sub-Saharan Africa

Although somewhat improved, the economies of sub-Saharan nations present many challenges. According to the World Bank, economic growth for the region slowed to 2.8 percent in 2002 (the last year for which data are available), down slightly from 2.9 percent the previous year. Net foreign direct investment in the region rose to \$8.9 billion in 2002, but still accounts for less than 1 percent of total world foreign direct investment.

In addition, the World Bank reports that sub-Saharan Africa is the only region in the world where the number of people living in extreme poverty has almost doubled over the last quarter century, from 164 million in 1981 to 314 million today. Africa accounts for only about 1 percent of the global GDP (gross domestic product), despite having 11 percent of the world's people.

Overall, the region is characterized by high population growth, an expanding HIV health crisis and limited financial resources that constrain agricultural

#### Sub-Saharan Africa at a Glance

Population	702.6 million
Population growth rate	2.1 percent
GNI (gross national income)	\$346.8 billion
GNI per capita	\$490



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imports and negate growth in agricultural output. In addition, drought and political instability plague vast areas of sub-Saharan Africa.

#### Middle East and North Africa

The Middle East and North Africa include oil-rich countries such as Saudi Arabia and Kuwait, and poorer countries such as Egypt and Morocco. According to the World Bank, average annual GDP growth in the region remained steady at 3.1 percent during the past decade. In 2003, GDP growth climbed to 5.1 percent, the highest rate in the region since 1991, mainly due to higher oil prices.

The region's most significant economic and social challenge is high unemployment, estimated at over 15 percent of the total potential workforce, with higher numbers in Algeria, Morocco and Libya.

North Africa and the Middle East

#### Middle East and North Africa at a Glance

Population	311.6 million
Population growth rate	1.9 percent
GNI (gross national income)	\$689.4 billion
GNI per capita	\$2,250

import large quantities of agricultural products to compensate for production shortfalls and to meet increasing demand for food and animal feed. U.S. exports to the region totaled nearly \$4.4 billion in fiscal 2004, with bulk commodities such as wheat and feed grains accounting for about 64 percent. U.S. imports from the region totaled \$745 million in 2004, with tobacco and processed fruits and vegetables each accounting for about 20 percent of the total. ■

*The World Bank*

Web site: [www.worldbank.org](http://www.worldbank.org)